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INDIANA UTILITY REGULATORY COMMISSION

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INDIANA UTILITY  
REGULATORY COMMISSION

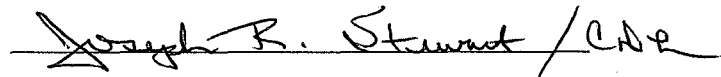
IN THE MATTER OF THE INVESTIGATION )  
ON THE COMMISSION'S OWN MOTION, UNDER )  
INDIANA CODE § 8-1-2-72, INTO ANY AND ALL )  
MATTERS RELATING TO THE COMMISSION'S )  
MIRRORING POLICY ARTICULATED IN )  
CAUSE NO. 40785 AND THE EFFECT OF THE )  
FCC'S MAG ORDER ON SUCH POLICY, )  
ACCESS CHARGE REFORM, UNIVERSAL )  
SERVICE REFORM, AND HIGH COST OR )  
UNIVERSAL SERVICE FUNDING )  
MECHANISMS RELATIVE TO TELEPHONE )  
AND TELECOMMUNICATIONS SERVICES )  
WITHIN THE STATE OF INDIANA )

CAUSE NO. 42144  
(Phase 2)

**OVERSIGHT COMMITTEE'S SUBMISSION OF  
RESPONSES TO RFP BIDDERS' QUESTIONS**

The Indiana Universal Service Fund ("IUSF") Oversight Committee ("OC") respectfully submits the attached responses to the questions submitted by potential bidders on the Request for Proposal ("RFP") for an independent third-party Administrator to manage the IUSF. This submission is made pursuant to the implementation timeline approved by the Commission in its June 18, 2007 Docket Entry in this Cause.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**  
**Cause No. 42144**

The undersigned counsel hereby certifies that on the 24<sup>th</sup> day of September, 2007, an original and 5 copies of the foregoing document were delivered to the Indiana Utility Regulatory Commission and a copy was served upon the following counsel either electronically or by United States Mail, first class postage prepaid:

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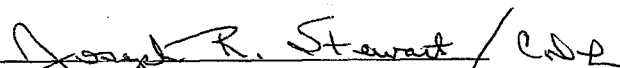
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## **Indiana Universal Service Fund ("IUSF") RFP Bidder Questions**

Q-1. Solix's question relates to RFP p.12, Sec. II.5: Are bidders be (sic) permitted to propose a per diem rate for the services described in this section, i.e. preparing written reports and testimony; participating in on-site conferences, hearings or proceedings; and providing other advice and analysis as requested? Solix suggests that, analogous to the requirements for audits (Section II.4.A.11), the requirements described in Section II.5 are at the request of the URC on an ad hoc basis, and should therefore also be priced on a per diem basis.

Please confirm receipt of this message by reply email message. Also, please let me know by reply email when questions will be answered, and identify the specific link within the Commission's website where they will be posted. Thank you.

A-1. Yes; bidders are permitted to propose a per diem rate for the services described in Section II.5. The RFP states that the Independent Third-Party Administrator will perform these services "as necessary" and given that they are not expected to be performed routinely, a per diem rate proposal is appropriate.

All bidder questions and answers will be posted on or around September 25, 2007 at the Commission's website: <http://www.state.in.us/iurc/telecom>.

Q-2. What contingency plan is contemplated in the event that collections are inadequate to make the December 15, 2007 and subsequent distribution as scheduled?

A-2. The IUSF assessment percentage is designed to collect sufficient funds to meet anticipated distributions. However, if collections are inadequate to meet the December 15, 2007 and subsequent distributions, the available funds will be disbursed to eligible recipient carriers proportionately, e.g., if the collected funds are 90% of the amount to be distributed, each carrier will receive 90% of its expected reimbursement. The Third-Party Administrator will be responsible for determining and recommending a change in the surcharge percentage as soon as feasible to recover any shortfall in collections and to ensure the ongoing provision of sufficient funds.

Q-3. The RFP indicates that the administrator is required to file a report with the Commission by May 30<sup>th</sup> of each year detailing providers' Indiana retail telecommunications service revenues for the preceding calendar year. The Administrator will not have data for the entire calendar year 2007. Please clarify the Commission's expectations with respect to this report requirement.

A-3. The Commission report that is due by May 30, 2008 will not have full data for the entire 2007 calendar year, but the interim Administrator is expected to work with the permanent Administrator and provide the data necessary for the period of time the IUSF was operational in 2007 to ensure that the report can be completed. For subsequent years, the transition from one Administrator to a successor Administrator is expected to be seamless with the predecessor and successor Administrators working collaboratively for the transfer of data, processes and all other information necessary for administering the IUSF.

## **Indiana Universal Service Fund ("IUSF") RFP Bidder Questions**

Q-4. Is an Annual Report for 2007 due by February 15, 2008?

A-4. Yes; the interim and permanent Administrators are expected to work together to prepare the report.

Q-5. Who will be responsible for submitting the March 1, unaudited Annual Financial Statement and the May 30 Indiana retail service revenue report for the prior calendar year, after the contract term expires?

A-5. After the contract term expires, the current (potentially a successor) Administrator will be responsible for submitting the March 1 and May 30 reports. After contract expiration, if a new Administrator is appointed, it is expected to work with the previous Administrator for the data and other necessary information to prepare the reports, as discussed in A-3.

Q-6. How many retail telecommunications service providers are there in Indiana?

A-6. Approximately 200 retail telecommunications service providers and 37 recipient carriers have been identified in Indiana.

Q-7. Will the interim administrator have sent each of the Indiana retail telecommunications service providers an introductory package such that the permanent administrator need only send advice of changes?

A-7. Yes.

Q-8. Will we lose (sic) evaluation points if we provide only a holistic approach to the cost and price analysis to support the reasonableness of the price quote versus an itemized approach as described in III.7 and III.8?

A-8. While the Oversight Committee ("OC") of the IUSF is not entirely clear on the meaning of the term "holistic approach" as it pertains to the cost and price analysis, the RFP proposals must satisfy the requirements of PART III of the RFP and the OC will evaluate all RFP responses accordingly.

Q-9. Will the administrator have the authority to schedule some carriers reporting and assessment remittance on a quarterly or annual cycle in recognition of factors deemed relevant by the administrator?

A-9. The administrator will have the authority to schedule carrier reporting and assessment remittance on a quarterly, for factors deemed relevant, e.g., de minimis remittance threshold. However, an annual remittance cycle is too infrequent.

## **Indiana Universal Service Fund ("IUSF") RFP Bidder Questions**

Respectfully submitted,

### **THE OVERSIGHT COMMITTEE**

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